

Gifts and Alliances in Java¹

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This paper clearly distinguishes gifts from bribery. Both seem to feature similar characteristics. However, the conceptual differences are obvious when one analyzes the nature of the relationships and alliances behind gifts, as opposed to bribes.

The first part of this paper focuses on the conceptual similarities and differences between gifts and market exchanges, and subsequently on how bribery emerges as an illegal market transaction under the conceptual banner of a gift.

The second part tries to describe empirically how this gift mechanism has created and maintained social alliances in traditional Java, and how it has been transformed into an instrumental and utilitarian tool for government officials and the economic elite in urban 'modern' Java² to enrich themselves.

The contemporary transition process in Java from hierarchical autocratic alliances to profit-maximizing alliances enabled by democratic institutional changes could not prohibit bribery from taking root under a convenient cultural flag. The logic of the gift as applied in traditional Java has been transformed into a cultural gimmick for personal gains in contemporary Java — often alienated from their social context — because no social and personal values or legal enforcement are effectively working to stop these anti-social 'gift practices'.³

1. Gift mechanism versus market exchanges and bribery

1.1 Gifts and market exchanges

The gift mechanism establishes social relationships among its members and between different clans.⁴ The ritual of giving something to somebody implies a desire for authentic recognition, and allows the giver, and consequently the receiver, to enter into a social relationship. Some particular features distinguish it from other social phenomena. The gift mechanism is characterized by a three-fold structure of reciprocity: to give; to receive; and to reciprocate or to return.⁵

¹ The island of Java in Indonesia is one of the most densely populated areas in the world with about 120 million inhabitants on the island, or about 900 persons per square kilometer.

² I acknowledge the deficiencies of reducing rural Java to a 'traditional' and urban Java to a 'modern' community, as the borders which separate the two are only beginning to be understood by social and political scientists. An early initiative to dichotomize Javanese society was made by Geertz (1973) in *The Religion of Java*, where the infamous paradigm Abangan (agnostic), Santri (pious Muslims), and Priyayi (courtesans) was formulated. More recent attempts to understand 'class' movements in modern urban Java have hardly been formulated.

³ In my understanding there has been no quantifiable and systematic research on corruption in the different historical periods of Java, from which one could conclusively state that there was no corruption in so-called traditional Java. However, I have detected a shift from a 'culture of gift (exchanges)' to a 'culture of exchanging (disguised) gifts' that could be easily interpreted as related to nepotism and corruption.

⁴ See Alain Caille, *Anthropologie du don* (Paris: Desclée de Brouwer, 2000). David Cheal, *The Gift Economy* (London and New York: Routledge, 1988). J.T. Godbout, *L'esprit du don* (Paris: la Decouverte, Livre de Poche: 1992; reprint, 2000). J.T. Godbout, *Le don, la dette et l'identité* (Montreal and Paris: La Decouverte, 2000). Maurice Godelier, *The enigma of the Gift* (Chicago: The Chicago University Press, 1996).

⁵ M. Mauss, *The Gift: The Form and Reason for Exchange in Archaic Societies* (New York: W.W. Norton, 1990), 39.

The gift is an expression of bonds — bonds of alliance and commonality. To refuse to give or to fail to invite, just as to refuse to accept, is tantamount to declaring war in traditional communities. By receiving, the recipient acknowledges a willingness to enter into a relationship with the bearer of the gift, and this willingness is not without its challenges. In the words of Mauss: “A gift is received with a burden attached.”⁶ Receiving a gift reflects accepting a challenge: to prove that one can reciprocate. One accepts the gift, implying that one accepts the challenge or obligation to return the ‘honour’ someday in the future. Not accepting a gift is equivalent to refraining from reciprocating or entering into a relationship. This obligation to reciprocate is fundamental in social alliances especially within a traditional community. One loses face if one does not reciprocate.

The gift mechanism does not necessarily require ‘equality’ and often aims even at a form of hierarchy. In the ritual of the gift, one desires authentic social recognition from the other party.⁷ “The delay in reciprocation symbolized the fact that goods are given for the friend’s sake, not for the sake of obtaining some good for oneself in return. Moreover, the accounting mentality reflects an unwillingness to be in debt to another and hence an unwillingness to enter in the longer term commitments that such debts entail.”⁸

Indeed gifts require a gap in time so that ‘individuals’ are bound into (long term) social alliances.⁹ It is on this tension between the act of giving and returning a gift that the social relationship is founded. It is the debt vis-à-vis the other that makes a social relationship or bond possible.

In western society, the individuated gift of a person (now ‘in debt’ vis-à-vis a beloved person) could be interpreted as a profound appreciation of the beloved one instead of a perceived debt. The gift becomes a ‘positive debt’ where no one feels guilty to the other beloved person. In such instances, one deliberately confirms one’s dependency on and vulnerability to the other. This individuated gift goes beyond a socio-economic exchange, but remains within the boundaries of an intimate social relationship. The gift retains its lifespan as long as one has not completed the circle of returning the obligation.

The ‘norm of reciprocity’ can be considered a concrete and special mechanism involved in the maintenance of any stable social system.¹⁰ Egoistic motivations might undermine this ‘norm of reciprocity’ by exploiting power differences. Although morally improper according to traditional values, such exploitations might break off relations or even launch hostilities against those to whom one is still indebted. Reciprocity helps to initiate social interaction and provides an additional moral sanction for conforming to specific status-based obligations.

⁶ *ibid.*, 41.

⁷ David Cheal, *The Gift Economy* (London: Routledge, 1988), 41.

⁸ Elizabeth Anderson, “The ethical limitations of the market”, *Economics and Philosophy* 6 (1990): 186.

⁹ Alan D. Schrift (ed), *The Logic of the Gift: Towards an Ethics of Generosity* (New York and London: Routledge, 1997). Pierre Bourdieu sees the extended time gap between the donation of a gift and reciprocating the gift as the most essential characteristic of a gift, distinguishing it from a market exchange where the time gap is kept minimal. However we also note the intriguing and interesting analysis of Derrida on the limitations of time gap with gifts. Derrida argues that once a gift is recognized as gift, it is no longer a gift; it becomes an obligation that demands reciprocity and once reciprocated, Derrida argues, it has been annulled. The gift defies the metaphysics of presence — it appears but can never present itself as a gift, it can never be (a) present. The gift therefore is intimately connected with forgetting. Derrida concludes that the structure of the gift is not a thing, is nothing; it has, instead, the structure of an event, an event of forgetting and deferral, an event of difference. In fact, what the gift gives, in the end, is time, nothing but time — time to forget, time to return, time for a delayed reciprocation that is no longer simply a return. Insofar as the gift reciprocates an obligation, Derrida suggests that this reciprocation does not escape the economic logic of debt that governs relations of simple exchange and therefore cannot be considered a real gift.

¹⁰ Alvin W. Gouldner, “The Norm of Reciprocity”, *American Sociological Review* 25 (1960): 171.

A market or price exchange, unlike the gift mechanism, is based on a strict notion of 'equality' and requires immediate reciprocity — equality in terms of rights and in terms of duties. One produces something for somebody for which in return a market value or price is charged and (contractually) paid, preferably immediately. The individual is seeking complete independence, and tries to avoid any social obligation towards another person. A modern western market mechanism is characterized by the exit strategy: by paying one's debt, one neutralizes or annuls the debt towards the other. The exchange is immediate and one remains completely 'clean' of any social obligation after having paid one's debt.

A market alliance is very utilitarian at the time of its inception and is often determined by a contractual agreement where rights and duties are accurately defined and executed. The *quid pro quo* or explicit reciprocation and the payment to a principal characterize a market sale or price exchange.¹¹ In such an exchange, a delay in reciprocation, unless explicitly arranged contractually, is cause for legal action. The contract itself may be either formal or informal. Market alliances or networking play an important role in establishing informal contractual agreements. Those alliances though are rarely social and generally very product-oriented (this in contrast to alliances through gifts). Furthermore, market exchanges also presume 'self-interested individuals' seeking to exchange market objects for money.¹²

In contrast to market exchanges, gifts are more often than not symbolic, and intrinsically avoid any precise quantification. In this respect, the value of a gift differs to a large extent from the gift's use value. In fact, the gift mechanism is suspicious of any objectification or even 'monetization'.¹³ As soon as the gift carries a price tag, it loses its intrinsic social value, and becomes a market exchange based on quantifiable prices. It is often proven that markets are ideal instruments to break personal bonds and social alliances because the price mechanism rather than the relationship (through a gift mechanism) is determining the exchange.¹⁴

Another feature that distinguishes a gift from a market exchange concerns its inherent ambiguity — a type of contradiction where 'sharing' could become competitive and even conflictual. In other words, the gift reflects, on the one hand, a strong feeling of solidarity among its community members through those social alliances whereby one shares with community members. On the other hand, the gift could also lead to a strict hierarchy whereby the three-fold structure of reciprocity is sometimes used to outmanoeuvre the receiver who might not be able to return the gift. Consequently the ambiguity of the gift could result in conflicts, exactly the opposite of its initial aim. The gift could indeed become an expression of competition¹⁵ and even superiority in traditional communities, if not reciprocated over time.

Gift exchanges typically occur among people who want to have 'interdependent relationships' whereas market or commodity exchanges occur between self-interested

¹¹ Susan Rose-Ackerman, "Bribes and Gifts", in Avner Ben-Ner and Louis Putterman (eds.), *Economics, Values and Organization* (Cambridge: Cambridge University Press, 1998), 298-299.

¹² In more traditional or pre-industrial societies, this clear distinction between market and gift alliances is less clear and often overlapping. In such communities, businesses are conducted through friendly alliances where the social and personal ties still play an important role.

¹³ David Cheal, *op. cit.*, 246-248.

¹⁴ A Klamer and I. Van Staveren, "Geven is geen ruilen. De gift in de economie", in A. Komter, *Het Geschenk. Over verschillende betekenissen van geven* (Amsterdam: Amsterdam University Press, 1997), 108-122.

¹⁵ Marshall Sahlins, "The spirit of the gift", in Alan Schrift (ed.), *The Logic of Gift* (London and New York: Routledge, 1997), 70-95; M. Sahlins, *Stone Age Economics*.

independent transactors. In gift cultures, social status is determined not by what you control but what you give away.¹⁶ Such a culture seems to be based on abundance instead of scarcity. Both the traditional village chief or king and the 'modern' multi-millionaire philanthropist understand this reality very well. Their reputation is based on their 'gifts' shared with others. The exhibition of shared wealth constitutes a social relationship for which a certain form of reciprocity is expected and through which most likely some form of hierarchy could be established. The possibility of generous gifts, beyond reciprocity and its ambiguity, falls outside the scope of this paper.

Despite differences in nature, both the gift and the market transaction are exchanges between groups or individuals. Such networks or alliances assume a high level of trust between the members. The notion of 'social capital' is the description of those alliances and networks that allow exchanges to take place in a non-violent manner based on trust. Social capital, therefore, is defined as a set of informal values or norms shared among members of a group that permits cooperation. Both a gift and a market exchange correspond to the definition of 'social capital' or network, and each carries a different emphasis on the relationship or alliance.

Although gifts do not contain an explicit *quid pro quo* connotation, they logically imply some form of implicit reciprocal obligation. Both a market and a gift exchange are characterized by a similar agent-principal relationship:¹⁷ the respective payment or gift is made to a principal, leading to a reciprocal obligation.

A gift fades into a pure material (market) exchange when it gives up the inherent character of social alliance. The gift disappears as it transforms itself into a contractual agreement. In the transition from social to utilitarian alliances, the gift could reveal itself as a disguised gift. A bribe therefore resembles more a contractual market exchange than a socially binding gift.

1.2 Bribery versus gifts

Bribery is often performed under the banner of the gift mechanism to exploit its social characteristics and disguise its own illegitimacy. A bribe is a payment (or promise of payment) for a service. Typically the payment is made to somebody in power (often an official) in exchange for violating some official duty or responsibility. "Bribes are payments made to agents by people who are not their principals in return for a well-understood *quid pro quo*".¹⁸ The agent must have some discretion and monopoly power to enable bribery to occur. Usually no accountability is asked for the secret payments.¹⁹

¹⁶ Aihwa Ong, "Clash of Civilizations or Asian Liberalism? An Anthropology of the State and Citizenship", in H.L. Moore (ed.), *Anthropological Theory Today* (London: Polity Press, 1999): 50. Culture is here not longer considered a self-producing system but rather as contingent and disparate sets of values that are organized, manipulated and deployed in a power context. However, the starting point here is not culture, but relationships and alliances between the community members.

¹⁷ Susan Rose-Ackerman, "Bribes and Gifts", *op. cit.*, 299; Susan Rose-Ackerman, "The Political Economy of Corruption", in Ann Elliot Kimberly (ed.), *Corruption and the Global Economy* (Washington DC: Institute for International Economics, 1997), 33-34.

¹⁸ Susan Rose-Ackerman, "Bribes and Gifts", 300-302. "The state's lack of organizational flexibility limits its ability to reorganize the agency relationship. A government uses agents where private businesses would simply sell their services directly. Conversely, the public sector uses contracts where private firms would vertically integrate because of monitoring difficulties. Sometimes deregulation and privatization can correct these difficulties, but some constraints are inherent in the special nature of government services.... Legitimate public functions cannot by their nature be organized like private markets. This fact implies that all incentives for corruption in public programs cannot be eliminated."

¹⁹ Robert Klitgaard, *Controlling Corruption* (Berkeley and Los Angeles: The University of California Press: 1998), 75-87.

Usually a bribe occurs in the dark — in a secret manner — to hide its illegitimate character. A payment to request some favour is not necessarily a bribe. A bribe presupposes an agreement of a certain kind: it must be understood that the payment in question is exchanged, or going to be exchanged, for a particular relevant conduct. Typically, the bribed party is an official or somebody in power and the conduct in question is a violation of some official duty. The recipient or agent accepts a ‘gift’ or payment for agreeing to ignore a requirement or responsibility and thereby providing an advantage to the giver. The purpose of offering a bribe is very often to seek some unfair or undeserved benefit or advantage. Here a bribe is distinguished from extortion where the ‘gift’ is forced upon the giver. The bribery is an agreement by its nature, whereas extortion is forced upon a victim. It is easier to morally excuse or justify compliance with the demands of extortion²⁰ than offering bribes. In practice the distinction between bribe and extortion is often hard to draw.

Many seem to suggest that most reforms against bribery are likely a step “toward a more impersonal, objective method of governing”.²¹ However, one should recognize that the transition from personalized ties and social alliances to a more impersonal society with strong markets and institutions may disrupt valuable traditional practices as well. Nor can one ignore some of the alienating forces in a pure free-market system.

The most important similarity between gift and bribery is that in neither case can a disappointed individual enforce payment through the court. Alternative ways of compliance must be designed to induce the indebted party to act. These extra-legal mechanisms are often effective and sometimes cheaper than those available in the market. Trust, reputation and reciprocal obligations seem to function as these informal enforcement mechanisms. Indeed, both gifts and bribes are based on a reciprocal relationship in which trust and reputation are mandatory for both.²² These informal mechanisms can facilitate corrupt deals as well as altruistic transfers.

Trust is the glue that combines and creates alliances for which reciprocity demands a return in due time. Trust is not only related to personal ties such as friendship and kinship, but also makes institutions more effective. The lack of trust in government often leads to a demand for private protective services.²³ Personalized relations facilitate deals in the absence of effective legal enforcement or of efficient institutions. The Mafia arose as a substitute for a failing government which no one trusted any longer.²⁴ When legal guarantees are not available, trust and its related networking become more important.

The idea that one should respond to a neutral superior separated from ties of loyalty, friendship and kinship may seem unnatural in some societies. Consequently citizens in such a society expect that personal ties with officials are needed to get anything done, and think that ‘gifts’ are proper rewards for their assistance and services.

²⁰ We should note that those most vulnerable to extortion are nominally respectable business people with illegal businesses for whom we believe no real excuse exists, and legitimate business people in a weak state who have no recourse against corrupt officials and for whom some moral excuse could be accepted though not justified. Paying ‘grease money’ to get legally imported products out of the customs warehouses is an example of the latter.

²¹ Susan Rose-Ackerman, “Bribes and Gifts”, 316.

²² *Ibid.*, 303.

²³ P. Verhezen, “Omkoping of gift”, in T. Vandevelde (ed.), *Over vertrouwen en bedrijf* (Leuven: Acco, 2000), 134-137. Note that although one might trust the private network or (Mafia) person securing some particular services, one does not necessarily have to consider that (Mafia) person as trustworthy. Trustworthiness does have a connotation with a moral virtue whereas trust is a way of dealing with uncertainty.

²⁴ Diego Gambetta (ed.), *Trust: Making and Breaking Cooperative Relations* (Oxford: Basil Blackwell, 1988).

And senior officials will use strong networks and a web of patronage to guarantee loyalty from their subordinates to make the system work. It should not be surprising that loyalty to and trust in family, friends and superiors, rather than responsibility to the state or any form of meritocracy, determine behaviour in such 'personalized' communities.

A good reputation developed from repeat play can substitute both for the law and for trusting personal relationships. Somebody who has the reputation of a benevolent (i.e., altruistic) donor carries costs and benefits. One can obtain praise and respect but also encourage a broader range of organizations or groups to ask for aid. Extortionary demands for payment may be more readily accepted if the extortioner has a reputation for carrying out vengeful or harmful acts.

The stricter the laws are defined and enforced, as for example in western society, the more difficult it will be to establish a reputation.²⁵ It should not surprise us that stable corrupt systems will often be found in small local markets: the need for secrecy favours systems in which a limited number of people are involved or where alliances are strictly controlled. In addition, the costs of establishing a reputation (that 'everything has a price') are less severe when bribery is widely accepted and credible law enforcement does not exist. Under such conditions, gifts can easily turn into bribes.

This analysis has tried to indicate that market exchanges, gifts and bribes are all characterized by a kind of reciprocal obligation. The reciprocal character itself is often translated into a certain form of alliance, ranging from business networks, *guanxi*, 'old boys networks' through patronage, paternalism, favoritism to clientelism, nepotism and even extortion. The historical and cultural context apparently determines the shifting meaning of alliance and network.

It is important to note that favoritism through networking or patronage, based on or influenced by gifts, is not necessarily a bribe, since that requires an agreement. To the degree that it is inappropriate to speak of agreements, it is also improper to speak of bribery. What constitutes bribery often depends on the cultural treatment of the constituent elements. "Where the relationships in question are genuine and the laws of the relevant society are such that the official duties of the relevant officials do not prohibit favoritism, this practice of gift giving cannot be called bribery".²⁶ When those relationships of favoritism take on an illegal character, one speaks of nepotism and possibly corruption.

The gift expects a return gift at some undetermined future time whereas a bribe wants immediate payback for its value. Relationships related to bribery are only interested in a fast, though not necessarily immediate, return. A bribe aims at a short term transaction with an 'exit'²⁷ to eliminate any possible remaining debt. In contrast to social alliances that are the result of a genuine gift, the bond between bribee and briber has no intention to maintain a social relationship or indeed to be social in any manner or form. One could speak of 'negative alliances' since the material object became the primary focus of the relationship instead of the social value of the alliance. Bribery is based on a contractual or instrumental alliance, not a social one.

²⁵ Susan Rose-Ackerman, "Bribes and Gifts", 305-307.

²⁶ Michael Philips, "Bribery", *Ethics* 94 (July, 1994): 635.

²⁷ A.O. Hirschman, *Exit, Voice and Loyalty* (Cambridge: Harvard University Press, 1970).

Bribery tries to limit or even halt any possible circulation of goods or services. Bribery usually will try to stop any continuous circulation²⁸ to avoid the reduction of the newly obtained ill-gotten material wealth. The individual sees the immediate return of the investment (i.e., the money given by the briber) as a final achievement and one that is not intended to be continued. After the exchange has been completed, as with a market transaction, one does not have any outstanding liability, other than being guilty or shameful for the illegal and immoral action itself. The immediate reciprocal transaction has paid off the debt. The briber and bribee have 'exited'²⁹ the relationship, even though one might be bound by mutual silence regarding the transaction. In that sense, we could describe bribery and corruption as 'static', since its circulation is deliberately exited, in contrast to a more 'dynamic' circulating gift. The bribee (receiver) and briber (giver) have no intention to enter into a system of reciprocal rights and duties that gives rise to a range of obligations. The exit from the relationship inherently makes market transactions and bribery impersonal and instrumental. And one should not forget that bribery occurs in the suspicious shadows of anti-social and even illegitimate behaviour.

Indeed, another main difference between a bribe and a gift lies in the non-specific and tacit character of the request for reciprocity that accompanies the gift. The bribe, by contrast, occurs in full secrecy with a specific request for something in return. The bribe bears no accountability. In addition, the language in which bribery has been described since at least the Roman times reinforces the hypothesis that bribery is related to the language of prostitution and social pollution.³⁰ There seems to be a tendency in almost all cultures nowadays to condemn bribery as harmful to society.³¹ One sometimes walks a very fine and subtle line in determining whether or not a particular gift is considered a secret bribe in a certain culture, especially in a discretionary one such as Java.

2. Gifts and alliances in Java

2.1 Social alliances through gifts in traditional Java

A village chief (*lurah*), regional governor (*bupati*) or king (*sultan*, *sunan*) in traditional Java is required to provide for the community. The Javanese 'king' preserves his authority over his members and other potential contenders if he can prove that he is favoured both by the gods (the spirits) and by good fortune; that he possesses metaphysical power and has been enowled with wealth through this power.³²

²⁸ J.T. Godbout, *Le don, la dette et l'identité. Homo donator vs homo oeconomicus* (Montreal and Paris: La Decouverte Mauss: 2000), 16. One does not halt the circulation process of the gift mechanism. The material circulation (objects, products, services, hospitality and even money in its most literal sense) as well as symbolic circulation (affection, compassion and even hatred) constitutes the gift.

²⁹ B. Karsenti, *Marcel Mauss, le fait social total* (Paris: PUF, 1994), 49-50. Gifts in the form of valuable products or services are circulated in traditional communities. A gift returned immediately is not a genuine gift.

³⁰ John T. Noonan Jr, *Bribes: The Intellectual History of a Normal Idea* (Berkeley and Los Angeles: University of California Press, 1984), 700-702. Noonan's comparison between bribery and prostitution is interesting: at the core of the ethics of bribery and sexual ethics are two moral concepts — gratuitousness and fidelity. Official acts and genital acts must be faithful, and they must be unpaid. Noonan believes that neither act is in the realm of commerce, and therefore both require loyalty. Within the Javanese context, this paper will argue that loyalty lies at the roots of the hierarchical traditional Javanese system that shifted from a gift culture to a culture where gifts were misused for personal benefit. Therefore we do not believe that loyalty is the feature that distinguishes bribery from genuine gifts.

³¹ Noonan, *Bribery*, xviii-xx. Every culture, with insignificant exceptions, disapproves of certain reciprocities with officials. Bribery seems to be universally condemned these days.

³² The two principle kingdoms of Central Java honour their kings with the title Hamangkubuwana in Yogyakarta (lit. having the world/universe on their lap), and Pakubuwana in Surakarta (lit. the nail/pivot of the world/universe).

The power of the king in Java can only be maintained if he shares his accumulated wealth with others through gift mechanisms and rituals. Pakubuwana (1893-1938) was renowned for his regular jaunts through his kingdom where, from the centre of his entourage, he would literally throw gifts of money to his people. A village chief or king could only prove his good fortune by spending it and sharing it. The Javanese king (and *bupati*) shares his wealth with his subjects as a form of security for which in return he receives unconditional loyalty.

It is remarkable that no thought is given to the way this wealth has been obtained. No legalistic or moral judgement is made on the process of wealth accumulation. The focus is mainly on reciprocity, whereby the intentions or motivations behind the giving of gifts are ignored. A corrupt village chief who shares is perceived as more fair than a honest one who does not share.³³

Those convicted of 'corruption' are considered 'wrong' in a western context and those who withstand the temptation of corruption are considered 'right'. In a Javanese context, however, the yardstick is not based on right or wrong, but on the degree to which one 'shares', an important constituent of the gift. Somebody who is perceived as 'corrupt', might still be considered 'right' by the community members as long as they share that wealth. One who hoards but is not necessarily corrupt is scorned as anti-social. Those who share ill-gotten wealth win status and authority. It is also very interesting to note that the Javanese and Indonesian languages do not have precise translations for the English words 'bribery' or 'fairness'. Along the same lines, quite a number of anthropologists registered reciprocities but did not classify them as bribes in so-called 'traditional' societies.

In Java it is the *rukun* principle — or the principle of conflict avoidance — particularly that reflects the 'sharing' of the gift function. The term *rukun* can be defined as 'consensus' in the Javanese language. This consensus is not really concerned with internal attitudes of will or even states of our soul, but rather with the external appearance of harmony. Co-operation, mutual acceptance, calm, patience and unity characterize the state of *rukun*. The *rukun* principle belongs to the principles of social regulation and not to (individual) moral principles. The *rukun* principle, therefore, is not concerned with setting altruism against egoism, but only with outward behaviour.³⁴

Another important social regulatory principle in Java is the concept of respect (*hormat*) which is based on the belief that all social relationships are ordered in a hierarchical structure that constitutes a good in itself. The respect principle is a social reality that maintains the feudalistic social order of Java. This outward-oriented form of respect should not be considered a 'moral' practice either, but rather an intricate part of the hierarchical structures of Java.

The Javanese social order is represented clearly in the way the Javanese communicate, interact and exchange goods and services. The choice of gift objects, words, and the subtlety of language and body gestures are all expressions of this social status and order. These social strata refer to specific social behaviour: the superior can demand loyalty, including the so-called 'tax' payments (*upeti*), and service from subordinates. *Upeti* are non-secret personal payments where, admittedly, the king was not

³³ This cultural anomaly was established during my discussions with Dr. Agus Nugroho and his colleagues of the Atma Jaya University in Jakarta in 2000.

³⁴ Personal interests, if they exist in such a socialized society, are sacrificed in the name of *rukun*. See further: Franz Magnis-Suseno, *Javanese Ethics and World-view: The Javanese Idea of the Good Life* (Jakarta: Gramedia, 1997).

to be held accountable by his community members. In return, the subordinates could expect protection and moral guidance. In this respect, the principles of *rukun* and respect fortify the reciprocal character of the traditional gift mechanism.

The Javanese do not make moral judgements according to abstract moral norms, but on the basis of whether an individual has reacted correctly according to the place he occupies in the community.³⁵ Solidarity is almost an inherent feature of the traditional gift mechanism and its social alliances. It is maintained by the principles of social harmony whereby hierarchy and social status are preserved. The norm of reciprocity and the ambiguity of the gift — solidarity or *rukun*, and hierarchy or *hormat* — are clearly present in traditional Java.

The phenomenon of *gotong-royong* — involving free mutual labour within the community — is a typical example of establishing and maintaining social alliances. A Javanese labours for and with other members of the community for the sake of the community. One shares one's labour with others by acknowledging the higher goals of the community. The Javanese are expected to help people in need, and to act in conformity with the society and not isolate themselves. Giving (free) labour to the community is a way to avoid possible conflict or fierce competition. This form of reciprocal giving constitutes social alliances and cooperation. This form of social order and the urge to support the community can only be seen through the feelings (*rasa*), according to the Javanese, rather than understood through theoretical thinking. *Gotong-royong* could be considered a form of obligatory gift, constituting social bonds within the community.

The gift mechanism in traditional Java is also embodied in the notion of *arisan* (a term that literally means 'cooperative endeavour', 'mutual help' or often interpreted as a form of 'insurance' in its contemporary form). An *arisan* or rotating credit association goes beyond the concepts of self-interest and altruism. A rotating credit association consists of a group who agrees to make regular contributions to a fund which is given, in whole or in part, to each contributor in rotation. The Javanese *arisan* only functions when all members continue to keep their obligations. The risk of default is acknowledged by each participant. It is well known that the whole agricultural irrigation system in Java (and Bali) is an ingenious culture of interdependency where cooperative alliances are a *sine qua non* for survival. Thus, having a reputation for honesty and reliability is paramount to such alliances or associations. Both uncertainty and the risk of default are minimized by strong norms and by compact networks of reciprocal engagement. Rotating credit associations illustrate how complexities of collective action — gifts in this case — can be overcome by drawing on entrusted networks — a principle often referred to as 'social capital' in this context. One uses social connections between individuals to help circumvent problems related to imperfect information and enforceability. In rural Java, the *arisan* is more than an economic credit institution; it is a gift mechanism strengthening the overall solidarity of the community.

The notion of an autonomous individual (i.e., one with a free will) has never really surfaced in traditional Javanese society. The individual aspirations were strictly embedded within the village constellation of consensus, hierarchy, respect and reciprocity. Consequently, anti-social individualistic behaviour like bribery has remained

³⁵ Koentjaraningrat, "Rintangan-rintangan Mental Dalam Pembangunan Ekonomi di Indonesia", *LIPi dan Penerbit Parnator* (Jakarta: Edisi 2, 2000).

under control through this mechanism of conflict avoidance and respect, both of which aspire towards social harmony. The individual acted in conformity with the 'collective expectations'³⁶ of the community. In general, generous conduct in rural Java was not a product of choice made by the type of free deliberation that allowed the possibility of behaving differently; it presented itself as the only thing to do. When the 'individual' deviated from the social norms the individual corrupted or broke the rules of the social relationships or alliances, and was likely reprimanded by the community.

2.2 Pragmatic alliances in contemporary Java

It is obvious that the traditional social principles are in decline in Java.³⁷ Fragmentation of the traditional social relationships, urbanization, industrialization and modernization are among many factors that have hastened the process of individualization in contemporary Java.

The traditional patrimonial and solidarity relationships started to decline by the end of the 19th century. After the collapse of the Dutch colonial *cultuurstelsel*³⁸ in the 1860s the government liberalized its economic policies and allowed European entrepreneurs to enter Java. This placed increasing demands on the island's administrative system — a system that could not function adequately based on local hereditary claims to power but required skilled personnel with the ability to mediate the needs of the burgeoning European entrepreneurs. As a solution, the Dutch employed, for expediency and cost reduction, local untrained officials, and for their services they received remuneration from the then colonial state. Dependence on the king's benevolence was thus replaced with a 'wage' system. Moreover, the once dependent *priyayi* (royal elite) could lease their hereditary land rights to the Dutch and in return received an income independent of the kingdom. The gift mechanisms were broken up by a shift from those reciprocal relationships towards a commercial exchange. Following the economic paradigm, socially interdependent relationships were replaced by the independence of 'individual' wage earners.

The traditional mechanisms of *rukun* and *hormat* have been replaced by economic values encouraging individualistic materialism, status craving, greed for money and power. Profit seeking market motivators are taking over the long-preserved social harmony and principles of reciprocal gift. The concept of harmony itself might have been nothing more than a name for (preserving) the power positions of the kings and the *priyayi* (or elite, nobles) in traditional Java. Nonetheless, the social mechanisms for wealth distribution in traditional or rural communities were more socially oriented and less individualistic than in modern urban Java. Changes have taken place rapidly during the last three decades in Java, and these changes have led to different behaviour and relationship patterns, especially in the cities.

³⁶ Pierre Bourdieu, "Marginalia — Some additional notes on the Gift", in Schrift (ed), *The Logic of Gift*, 231-244.

³⁷ We should note that a detailed analysis of the historical transition from a traditional to a modern Java is beyond the aim of this paper,

³⁸ The *cultuurstelsel* was introduced by J. van den Bosch on his appointment as Governor-General (1830-33). Formerly, the land tax system of Java, introduced during the British interregnum, was calculated on rice production and mainly paid in cash. The cultivation system, on the other hand, required each village to set aside a percentage of land (initially twenty percent and later thirty-three percent) for the production of export crops which were to be sold to the government at a fixed price.

Contemporary urban Java is characterized by an increasing drive for consumption where the focus is on the accumulation, rather than the sharing, of material wealth as an indication of social success. Especially in cities, the elite tries to increase its power and individual material position. This is in contrast to rural Java where reciprocal social relationships prevail(ed) rather than individual goals. The power of consumerism and (western) 'individuality'³⁹ apparently could not be stopped by the self-restraint to preserve social order so well known in traditional Java. The fact that traditional principles of *rukun* and respect have been eroded in urban communities paved the way for individuals seeking their own self-interest.

Traditional alliances or social relationships gradually shifted to a form of 'exchange' in modern Java and thus became more economic than social in nature. Alliances in this economic or commercial framework assume an immediate reciprocity where the rights and duties of each party are equal, whereas social alliances or gift relationships are "not strict, not immediate and unintentional".⁴⁰ The network of alliances becomes more instrumental. The economic principles of instrumental calculation define the rationality of this 'pragmatic alliance'.⁴¹

In traditional Java, the alliances seem to be 'patrimonial' and non-individualistic. 'Patronage' is such a typical form of a 'patrimonial' alliance that we find it both in traditional and contemporary Java. The traditional king gave positions to his subjects who remained indebted by showing unconditional loyalty. Those relationships remain quite patrimonial and feudal, reconfirming the ambiguity of a gift culture. "To accept without giving in return, or without giving more back, is to become client and servant".⁴² The political elite in more modern times is using the same logic of patronage to manipulate and control people. Although acknowledged as a form of gift mechanism, patronage starts to show connotations of commercial relationships.

When patronage shifts towards a more instrumental and profit maximizing rationality, it often disregards its social characteristic of the gift mechanism. The social alliance becomes increasingly a commercial alliance where quid pro quo prevails. Despite its conceptual connotation with a gift, a bribe presupposes an agreement, a

³⁹ Putnam, Robert, *Bowling Alone: The Collapse and Revival of American Community* (New York and London: Simon & Schuster, 2000), 145. It is interesting to note the parallel in western society where a shift towards individualization led to a decrease in social capital. It is obvious that in the West the reduction of commitment and social capital has been superficially neutralized by an increase in the number of lawyers in the USA. The decline of the traditional rules in Europe and the USA has been 'amended' by a trend of legalization. Trust in social institutions and each other has been declining over the last three decades. Previously, social capital, generalized reciprocity and socially embedded honesty was generally accepted as the rule of life. Nowadays, this social capital has been replaced with the strict rule of law — formal contracts, courts, litigation, adjudication, and enforcement by the state. "Thus, if the lubricant of this trust is evaporating from American society, we might expect to find greater reliance on law as a basis for cooperation. If the handshake is no longer binding and reassuring, perhaps the notarized contract, the deposition, and the subpoena will work almost as well. It has been confirmed by National Income that the American legal system has been tremendously growing". And especially this trend has been very obvious from 1970 onwards. The ratio of lawyers to the rest of citizens in the USA doubled in the last quarter of the century. The largest increase on the demand side for legal work seems to have been in what is subtly termed 'preventive lawyering'. Lawyers continue to provide 'artificial trust' because lawyers are producers and vendors of impersonal 'cool' trust; they are the beneficiaries of the decline of its low-cost rival.

⁴⁰ A. Vandevelde (ed.), *Gifts and Interests* (Leuven: Peeters, 2000), 2.

⁴¹ Despite this calculating approach, the market exit strategy is less obvious to good customers, even in modern Java. Those customers seem to have established a social relationship in the *pasar* (market) where 'exit' is less apparent or not really an option any longer. Those customers are treated like part of an extended family where strict market exchange rules might not fully apply. Social networking — so characteristic of the gift exchange — apparently continues to play its role in the daily exchange of commodities where community members are very familiar with each other, but less where individuals are not known. In the former case, the exit strategy applies as well to those atomic individuals.

⁴² M. Mauss, *op. cit.*, 74.

commercial and almost contractual agreement.⁴³ The alliance in a bribe is contractual in spirit though not legally enforceable because of its illegality. Exceptionally, where the relationship or alliance in question is genuine and the laws of the relevant society do not prohibit favoritism or patronage (sometimes called 'clientelism'), this practice of gift-giving cannot be called bribery.⁴⁴ Traditional Java experienced a strong network of patronage and favoritism as an expression of those social obligations. This in contrast to contemporary Java where patronage and favoritism can be perceived as the use of a traditional gift ritual to exchange objects and favours rather than establishing a genuine social alliance to maintain social harmony. The gift ritual becomes corrupted, breaking down a social order. The logic of the gift and its inherent three-fold structure of obligation are used for personal gain, not maintaining a social order. The 'object' in the (market) exchange and its utilitarian value become more important than the (exchange) relationship. One intentionally creates favoritism for those 'dragged' into the relationship.

In traditional rural Javanese communities there was a weak consciousness of responsibilities, and administration was inefficient because of the absoluteness of the king's (traditional) power. In modern Java no regulatory or strong (socio-political) institutions are in place to control and monitor the individual. At the very core of corruption in modern Javanese society lies the elite who, inspired by an alienated individualistic consumerism and de-symbolization of gifts, takes advantage of a society in transition. In addition, it is easier to conceal corruption where the rules are unclear (i.e. with many legal loopholes). Similarly, where the commitment to these rules is weak, or where the enforcement by the institutions (especially police and judiciary) is weak, illegal behaviour can flourish. Furthermore, add the enormous tolerance level, combined with political unaccountability as a characteristic of the hierarchical system, and rampant corruption can emerge victorious.

Indeed, the lack of law enforcement has contributed to the spread of bribery and corruption. Moreover, some even believe that "the Indonesian military, police force, government officials and the judiciary enforce structural corruption in Indonesia" nowadays.⁴⁵

In a gift the relationship established or maintained under whatever cultural flag is perceived as genuine. Patronage (or 'clientelism') and favoritism however may in fact be bribery in an ethnic dress.⁴⁶ The gift mechanism — together with its two major features, reciprocity and ambiguity — is undermined by utilitarian instrumental thinking. The rhetoric and ceremonial forms of a traditional culture are used to camouflage what are in fact business or commercial, and in extreme cases even extortionary, relationships. In that sense, the relationship in question is not genuine when it is not entered into in good faith. It is corrupt.

⁴³ Michael Philips, "Bribery", 632.

⁴⁴ *Ibid.*, 635.

⁴⁵ M. Mochtar, "Corruption in Indonesia: Why it Works and How to Control It", *Anti-corruption Worldbank Papers* (Jakarta: November 2001), 15.

⁴⁶ In my discussions with Dr. Bambang Subianto (Professor at the University of Indonesia and ex-Minister of Finance in Indonesia) he expressed his conviction that corruption has a lot to do with a so-called 'licence' economy where favours and 'commercial monopolies' are distributed to known parties. 'Patronage' becomes pure nepotism over time.

3. Conclusion: 'Gifts and alliances' in a community in transition

The gift is conceptually characterized by a three-fold structure of reciprocity. This structure acknowledges a triple social obligation: somebody has to give a gift, a recipient receives the gift, and eventually the recipient will reciprocate the gift in the future. The gift mechanism itself is ambiguous because it establishes solidarity through sharing while at the same time it seeks superiority and hierarchical status through competitive (gift) exchanges. Gift exchanges are social in nature, characterized by a form of solidarity and often hierarchy, whereas market exchanges usually incorporate contractual arrangements. Bribery differs from the gift mechanism in that it has no social orientation, nor does it allow long time gaps for its return. Bribery disregards the ambiguity of the gift. A bribe is an explicit quid pro quo. Such an alliance does not really constitute 'social' capital. Bribery uses the gift's hierarchical feudal element of respect only to use it for own purposes. It neglects the social character of hierarchical alliances. Nonetheless, the sharing of a bribe with community members to some extent neutralizes these negative aspects whereby some social acknowledgement is sought and often found. The notion of bribery remains a cynical and even illegitimate form of a quid pro quo exchange through nepotistic and selfish alliances.

Through a strict system of patronage and hierarchies, social alliances could be maintained, and fierce conflict could be avoided in traditional Java. These benevolent alliances and networking functioned as buffers against possible violence between competing kingdoms in traditional Java. Solidarity and strict hierarchy were maintained by those gift exchanges through the *rukun* and the *hormat* principles. These principles organized and structured the traditional Javanese community.

Since the inception of the Indonesian nation less than six decades ago, there has been a gradual emergence of a self-interested individual and an erosion of the traditional gift principles. Java, like so many other traditional societies, never had formal rules of accountability and transparency. Traditional gifts, reciprocal by nature, did not need a formal 'accountability' (of individuals) and 'transparency'. The 'individual' in traditional Java was completely encapsulated in a well-organized hierarchy, and individual anti-social behaviour was limited. One was trained to respect the hierarchies and consider social consensus as a matter of survival. Cases of corruption in traditional Java cannot be ignored altogether though.⁴⁷

With a growing urbanization, weak functioning institutions and the birth of the 'individual', traditional 'gift' products have been transformed into 'marketable objects'. Consequently, traditional relationships and alliances have undergone a shift in meaning and have been eroded in Java. The reduction of social alliances in favour of utilitarian 'client alliances' and nepotism have brought about anti-social behaviour like bribery. In this respect, bribery in Java seems to be the logical consequence of an individualization process⁴⁸ of gift rituals without strong institutional barriers.

⁴⁷ The powerful VOC (under the Dutch colonization) fell victim to mismanagement and manifest corruption. However, the objective of social cooperation and alliances in traditional Java inherently kept anti-social behaviour under 'control'. Unfortunately, but not unsurprisingly, aberrations such as rampant bribery could take root in this changed 'modern habitus'. An explanation of how the Dutch entrepreneurs in Java created the opportunity for corruption to emerge is beyond the scope of this paper.

⁴⁸ Karl Polanyi, *The Great Transformation: The Political and Economic Origins of our Time* (Boston: Beacon Press, 1944). The 'objectification' and individualization process itself is, I believe, directly related to the conceptual assumption of an individual seeking self-interest at the expense of the community in which he/she lives. Instead of 'individuation' whereby

Java now faces the challenges of embedding the (self-interested) individual within social structures of alliances transcending the feudal patrimonial relationships. The imminent danger — because of the ambiguity of the gift — is the misuse of traditional gift rituals and alliances purely for the ‘material’ enrichment of individuals (in a power position) thereby ignoring the solidarity function of gifts. Indeed, bribery, using the ritual of the gift to legitimize itself, is an illegitimate contractual exchange.

Re-establishing or enhancing a social order through gift rituals by ensuring traditional values such as respect and conflict avoidance will no longer guarantee a well functioning community in (urban) Java. The traditional rules of *rukun* and *hormat* are no longer adequate for guiding society. The acknowledgement of social networking — even ‘patronage’ — through the three-fold structure of the gift does not provide the Indonesian elite with a justification that ‘gifts’ — disguised gift or bribery — form part of the traditional cultural values. It is pure hypocrisy to use pseudo-traditional rituals to justify illicit exchanges when convenient. ‘Disguised’ gifts undermine the working of the logic of the gift, and consequently destroy genuine social alliances and communities. Bribery remains inherently anti-social.

Java has been going through a transition and shift from a *culture of gift (exchange)* to a *culture of exchanging (disguised) gifts*. The individuation of the social mores in Java and the historical lack of efficient institutions⁴⁹ have allowed a gift to shift to an exchange. One often refers to Javanese culture as being very discretionary, and it is this very discretion that has provided a suitable environment for promoting bribe activities⁵⁰. The traditional Javanese society was based on strong interpersonal relationships as result of gift exchanges in which ties of loyalty, friendship and kinship determined social behaviour. There were no formal agency-principal relationships but rather benefactor-beneficiary relationships⁵¹ through a web of patronage.

Bribery in Java could be interpreted to a certain extent as a symptom of deep institutional weakness, incited by individual greed. Will those so-called gifts remain locked in the cultural caveat of private networking under the banner of traditional rituals with hardly any accountability?

In sum, the major challenge facing modern-day Java — and Indonesia as a whole — is to permit the gift mechanism to play its ‘social’ role⁵² in this society, based on the law of reciprocity, without misusing its ritual values. Furthermore, additional individual moral attitudes will be needed to balance the self-interest of individuals. One will have to find or develop social responsibility through some inner moral consciousness, going beyond community-based *rukun* and *hormat* principles, to entice individuals’ behaviour to be accountable. Call it a search for a difficult balance between traditional norms favouring close inter-personal ties and modern efforts to create effective institutions.

the product itself has lost its social constitution role, we also could speak of a so-called 'monetization' of the gift. It presupposes the decline of the traditional patrimonial institutions in Java and it implies the existence of a wealth-maximizing individual who hardly even existed in a traditional Javanese community.

⁴⁹ Andrei Shleifer and Robert W. Vishny, "Corruption", *Quarterly Journal of Economics* 109, no. 3 (1993): 609-611.

⁵⁰ The imperative of secrecy entails another potentially important cost of bribery, namely its hostility to change and innovation.

⁵¹ M. Mochtar, "Corruption in Indonesia", 21. See also Nasir Tamara, "Corruption in the Indonesian Private Sector", presentation at the Worldbank Anti-corruption Forum, November 2001.

⁵² An individuated gift does not necessarily need to be purely instrumental or egoistic as the 'positive debt' of a personal relationship has been explained above. A gift intrinsically enhances a bond either social or, more often in this modern society, personal. If personal and social relationships would be considered as no more important than impersonal agency relations (which are an integral part of modern states and modern economic systems), then 'bribes' might have to be (controversially) re-defined as gifts as long as they remain not secret and as long as one can account for those gifts.

This analysis of the gift mechanism, both conceptual and in a historical Javanese perspective, attempted to understand the shift towards rampant bribery in contemporary Java. More beneficial though would be the subsequent attempt of the Javanese and the Indonesian leadership to move away⁵³ from these poisonous 'gifts'.

⁵³ Though beyond the scope of this paper, I believe that in addition to individual moral conscience, any possible reform programme combating bribery and corruption will need to include stronger institutional mechanisms: enhancing competition in the economy, a wise de-monopolization and gradual deregulation, promoting the accountability of political leadership, public disclosure and transparency rules, the promotion of the rule of law and its proper enforcement, the creation of a merit-based and service-oriented public administration, and a more critical educational system.